



LandAmerica Commercial Services  
1120 NW Couch Street, Suite 500  
Portland, Oregon 97209  
Ph 503-223-5910 Fax 503-553-5679

Issuing title insurance by:  
Transnation Title Insurance Company  
Lawyers Title Insurance Corporation  
Commonwealth Land Title Insurance Company

LandAmerica Commercial Services  
Attn: Peggy Neikirk  
V.P./ Sr. Commercial Escrow Officer  
1120 NW Couch St., Suite 500  
Portland, OR 97209

Date Prepared: May 21, 2007

**PRELIMINARY TITLE REPORT  
FOR ISSUING TITLE INSURANCE**

ORDER NO.: 07-001508m CONNECTION NO.: 11019975  
PARTY REFERENCE: TBD/TBD  
PROPERTY ADDRESS: 22000 NE Halsey  
Portland, OR 97204  
OTHER REFERENCE:

**LAWYERS TITLE INSURANCE CORPORATION is prepared to issue title insurance** as of the effective date and in the form and amount shown on Schedule A, subject to the conditions, stipulations and exclusions from coverage appearing in the policy form and subject to the exceptions shown on Schedule B. This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued and the full premium paid.

This report is for the exclusive use of the persons to whom it is addressed. Title insurance is conditioned on recordation of satisfactory instruments that establish the interests of the parties to be insured; until such recordation. The Company may cancel, amend or supplement this report for any reason.

Thank you for placing the order with us.

If you need assistance with this report, please contact:

**Peggy Neikirk, V.P./ Sr. Commercial Escrow Officer**  
**Mark Davison, Commercial Title Officer**

**Phone: 503-553-5664** [pneikirk@landam.com](mailto:pneikirk@landam.com)  
**Phone: 503-553-5690** [mdavison@landam.com](mailto:mdavison@landam.com)

**SCHEDULE A**

**1. The effective date of the preliminary title report is 5:00 P.M. on**

May 16, 2007

**2. The Policy or Policies to be issued:**

**Underwriter:** Lawyers Title Insurance Corporation

<b>Policy/Endorsement Description</b>	<b>Charge</b>
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2006 ALTA Standard Owner's for \$(TO COME) (Short Term Rate Applied)	
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2006 ALTA Extended Lender's for \$(TO COME) (Simultaneous Issue Rate Applied)	
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Local Government Lien Search	\$ 25.00 per tax lot
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**3. Title to the land described herein is vested in:**

Donati Properties Oregon, LLC, an Oregon limited liability company

**The estate or interest in land is:**

Fee Simple

**4. The land referred to in this report is described as follows:**

As fully set forth on Exhibit "A" attached hereto and by this reference incorporated herein.

**EXHIBIT "A"**  
**Legal Description**

PARCEL I:

Lot 1, FAIRVIEW VILLAGE COMMERCIAL CENTER, in the City of Fairview, County of Multnomah, State of Oregon.

EXCEPT THEREFROM that portion described in Agreement and Conveyance to Stone Park, LLC, an Oregon limited liability company, recorded May 23, 1996, Fee No. 96078447, more particularly described as follows:

All of that described in deed recorded February 16, 1996, Fee No. 96024572 lying West and South of the following described lines:

A portion of Lot 1, FAIRVIEW VILLAGE COMMERCIAL CENTER, in the City of Fairview, County of Multnomah and State of Oregon, more particularly described as follows:

Beginning at the Southwest corner of said Lot 1; thence North 78° 47' 39" East, along the South line of said Lot 1, a distance of 331.22 feet to an angle point on said South line; thence South 11° 24' 40" East, 40.82 feet; thence North 78° 47' 39" East, 19.83 feet to the true point of beginning of the lines to be described; thence from said point of beginning, North 11° 12' 21" West, 40.82 feet; thence South 78° 47' 39" West, 19.78 feet to a point which bears North 78° 47' 38" East of the Southwest corner of said Lot 1, and there terminating.

PARCEL II:

Lot 2, FAIRVIEW VILLAGE COMMERCIAL CENTER, in the City of Fairview, County of Multnomah and State of Oregon.

EXCEPTING THEREFROM that portion described in Dedication Deed to Multnomah County recorded June 26, 1996, Fee No. 96097362.

PARCEL III:

Lot 3, a portion of Lot 1, FAIRVIEW VILLAGE COMMERCIAL CENTER and a portion of Parcel 1, Partition Plat No. 1995-41, in the City of Fairview, County of Multnomah and State of Oregon, more particularly described as follows:

Beginning at the Southwest corner of said Lot 1, FAIRVIEW VILLAGE COMMERCIAL CENTER; thence North 78° 47' 39" East, along the South line of said Lot 1, a distance of 331.22 feet to an angle point on said South line; thence continuing on the Easterly extension of the South line of said Lot 1, North 78° 47' 39" East, 19.78 feet; thence South 11° 12' 21" East, 40.82 feet to a point on the most Southerly South line of said Lot 1; thence continuing South 11° 12' 21" East, 74.64 feet; thence South 55° 19' 31" West, 60.33 feet to the North right-of-way line of Market Drive; thence Northwesterly on said right-of-way line, on a non-tangent 77.00 foot radius curve concave to the South through a central angle of 8° 01' 52" (the long chord bears North 78° 45' 17" West, 10.78 feet) an arc distance of 10.79 feet to the Southeast

**EXHIBIT "A" Continued**

corner of said Lot 3, FAIRVIEW VILLAGE COMMERCIAL CENTER; thence following said North right-of-way line of said Market Drive, Northwesterly on a non-tangent 77.00 foot radius curve concave to the South (the long chord bears North 76° 59' 17" West, 63.17 feet) an arc distance of 65.09 feet; thence South 78° 47' 39" West, 225.47 feet; thence on a non-tangent 6.00 foot radius curve to the North (the long chord bears North 56° 12' 21" West, 8.49 feet) an arc distance of 9.42 feet; thence North 11° 12' 21" West, 99.03 feet to the point of beginning.

**PARCEL IV:**

Lot 4, FAIRVIEW VILLAGE COMMERCIAL CENTER, in the City of Fairview, County of Multnomah and State of Oregon.

EXCEPT THEREFROM that portion described in Dedication Deed to Multnomah County recorded June 26, 1996, Fee No. 96097363.

**PARCEL V:**

Lots 6, 7 and 8, FAIRVIEW VILLAGE COMMERCIAL CENTER NO. 2, in the City of Fairview County of Multnomah and State of Oregon.

**PARCEL VI:**

A part of Sections 28 and 33, Township 1 North, Range 3 East of the Willamette Meridian, in the City of Fairview, County of Multnomah and State of Oregon, described as follows:

Beginning at a point 50 feet South of the Southeast corner of Block 30, FAIRVIEW; thence East 28.8 feet; thence South 0° 12-1/2' West, 227 feet to the true point of beginning of the tract to be described; thence continuing South 0° 12-1/2' West, 200 feet; thence East 625 feet to a point that is South 0° 12-1/2' West, 200 feet from the Southeast corner of that certain tract of land conveyed to John B. Whalley, et ux, by Deed recorded June 25, 1943 in Book 759, Page 1, Deed Records; thence North 0° 12-1/2' East 200 feet to the Southeast corner of said Whalley Tract; thence West along the South line of said Whalley Tract and a continuation thereof, 625 feet to the true point of beginning.

**PARCEL VII:**

A tract of land in the Southeast one-quarter of Section 28, Township 1 North, Range 3 East of the Willamette Meridian, in the City of Fairview, County of Multnomah and State of Oregon, described as follows:

Beginning at a point 2381.7 feet North and 1010 feet West of the Southwest corner of the A.C. Dunbar Donation Land Claim, in Township 1 North, Range 3 East of the Willamette Meridian; thence South 227 feet; thence East 115 feet; thence North 227 feet; thence West 115 feet to the point of beginning.

EXCEPT THEREFROM that portion thereof lying within Barr Road No. 1212, (now NE Halsey Street).

**EXHIBIT "A" Continued****PARCEL VIII:**

A tract of land in the Southeast one-quarter of Section 28, Township 1 North, Range 3 East of the Willamette Meridian, in the City of Fairview, County of Multnomah and State of Oregon, described as follows:

Beginning 355.7 feet South and 270 feet East of the intersection of the South line of Lincoln Street in Fairview and the West line of a certain tract of land conveyed to Eliza Stone by Deed recorded March 22, 1883 in Book 66, page 119, records of Multnomah County; thence East 383.8 feet; thence South 227 feet; thence West 383.8 feet; thence North 227 feet to the point of beginning.

EXCEPT THEREFROM that portion thereof lying within Barr Road No. 1212, (now NE Halsey Street).

AND EXCEPTING THEREFROM the following described tract:

A tract of land in the Southeast one-quarter of Section 28, Township 1 North, Range 3 East of the Willamette Meridian, in the City of Fairview, County of Multnomah and State of Oregon, described as follows:

Commencing at the Southwest corner of the A.C. Dunbar Donation Land Claim; thence North 0° 14' 20" East along the West line thereof a distance of 2228.68 feet; thence North 89° 45' 40" West at right angles to the last mentioned course, a distance of 480.97 feet to the true point of beginning of the tract herein described; thence from said true point of beginning South 83° 39' 00" West a distance of 60.49 feet; thence North 0° 07' 15" West, a distance of 52.19 feet; thence North 85° 15' 50" West, a distance of 4.96 feet; thence South 89° 42' 40" West, a distance of 17.89 feet; thence North 0° 12' 10" West, a distance of 84.55 feet to the Southerly line of NE Halsey Street; thence North 84° 47' 10" East along said Southerly line a distance of 110.81 feet; thence South 0° 59' 20" East a distance of 39.97 feet; thence South 34° 29' 10" West, a distance of 40.69 feet; thence South 3° 57' 50" West, a distance of 67.10 feet to the true point of beginning.

**PARCEL IX:**

A tract of land in the Southeast one-quarter of Section 28, Township 1 North, Range 3 East of the Willamette Meridian, in the City of Fairview, County of Multnomah and State of Oregon, described as follows:

Commencing at the Southwest corner of the A.C. Dunbar Donation Land Claim; thence North 0° 14' 20" East along the West line thereof, a distance of 2228.68 feet; thence North 89° 45' 40" West at right angles to the last mentioned course, a distance of 480.97 feet to the true point of beginning of the tract herein described; thence from said true point of beginning South 83° 39' 00" West, a distance of 60.49 feet; thence North 0° 07' 15" West, a distance of 52.19 feet; thence North 85° 15' 50" West, a distance of 4.96 feet; thence South 89° 42' 40" West, a distance of 17.89 feet; thence North 0° 12' 10" West, a distance of 84.55 feet to the Southerly line of NE Halsey Street; thence North 84° 47' 10" East along said Southerly line, a distance of 110.81 feet; thence South 0° 59' 20" East, a distance of 39.97 feet; thence South 34° 29' 10" West, a distance of 40.69 feet; thence South 3° 57' 50" West, a distance of 67.10 feet to the true point of beginning.

**SCHEDULE B**

**Except for the items properly cleared through closing, the proposed policy or policies will not insure against loss or damage which may arise by reason of the following:**

**STANDARD EXCEPTIONS**

- 1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public record; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- 2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
- 3. Easements, claims of easements, or encumbrances not shown by the public records, reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
- 4. Any encroachment (of existing improvements located on the subject land onto adjoining land or of existing improvements located on adjoining land onto the subject land), encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the subject land.
- 5. Any lien, or right to lien, for unemployment taxes, workmen’s compensation, services, labor, equipment rental or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

**SPECIAL EXCEPTIONS:**

- 6. NOTE: 2006-2007 TAXES ARE PAID IN FULL and are being shown for informational purposes only and will not be shown on a title insurance policy.  
 Original Amount : \$17,317.40  
 Account No. : R161490  
 Levy Code : 240  
 Map and Tax Lot No. : 1N3E33AB-00100  
 Affects Parcel I
- 7. NOTE: 2006-2007 TAXES ARE PAID IN FULL and are being shown for informational purposes only and will not be shown on a title insurance policy.  
 Original Amount : \$2,454.70  
 Account No. : R161491  
 Levy Code : 240  
 Map and Tax Lot No. : 1N3E33AB-00200  
 Affects Parcel II

8. NOTE: 2006-2007 TAXES ARE PAID IN FULL and are being shown for informational purposes only and will not be shown on a title insurance policy.  
Original Amount : \$3,679.33  
Account No. : R161492  
Levy Code : 240  
Map and Tax Lot No. : 1N3E33AB-00400  
Affects Parcel III
9. NOTE: 2006-2007 TAXES ARE PAID IN FULL and are being shown for informational purposes only and will not be shown on a title insurance policy.  
Original Amount : \$2,437.26  
Account No. : R161493  
Levy Code : 240  
Map and Tax Lot No. : 1N3E33AB-00300  
Affects Parcel IV
10. NOTE: 2006-2007 TAXES ARE PAID IN FULL and are being shown for informational purposes only and will not be shown on a title insurance policy.  
Original Amount : \$773.84  
Account No. : R161495  
Levy Code : 240  
Map and Tax Lot No. : 1N3E33AB-00600  
Affects part of Parcel V
11. NOTE: 2006-2007 TAXES ARE PAID IN FULL and are being shown for informational purposes only and will not be shown on a title insurance policy.  
Original Amount : \$5,773.64  
Account No. : R161496  
Levy Code : 240  
Map and Tax Lot No. : 1N3E33AB-00700  
Affects part of Parcel V
12. NOTE: 2006-2007 TAXES ARE PAID IN FULL and are being shown for informational purposes only and will not be shown on a title insurance policy.  
Original Amount : \$576.01  
Account No. : R161497  
Levy Code : 240  
Map and Tax Lot No. : 1N3E33AB-00800  
Affects Part of Parcel V
13. NOTE: 2006-2007 TAXES ARE PAID IN FULL and are being shown for informational purposes only and will not be shown on a title insurance policy.  
Original Amount : \$4,861.76  
Account No. : R321198  
Levy Code : 240  
Map and Tax Lot No. : 1N3E28DD-09300  
Affects Parcels VI, VII, and VIII

14. NOTE: 2006-2007 TAXES ARE PAID IN FULL and are being shown for informational purposes only and will not be shown on a title insurance policy.  
Original Amount : \$1,479.96  
Account No. : R321096  
Levy Code : 240  
Map and Tax Lot No. : 1N3E28DD-09400  
Affects Parcel IX
15. Municipal Liens, if any imposed by the City of Fairview.  
  
(No inquiry has been made. If a search is requested, an additional fee may be charged.)
16. The rights of the public in and to that portion of the herein described property lying within the limits of streets or highways.  
Affects Parcels VI, VII, VIII, IX
17. Rights of the public, riparian owners and governmental bodies as to the use of the waters of Fairview Creek and the natural flow thereof on and across that portion of the subject land lying below the high water line of said waterway.
18. Easements, subject to the terms and provisions thereof, as delineated and set forth on the recorded plat of Fairview Village Commercial Center  
For : Public storm drainage  
Affects Lot 1
19. Conditions, restrictions and/or setbacks, as shown on the recorded plat of Fairview Village Commercial Center.  
For : 1 foot vehicular non-access Lots 1, 2 and 4 abutting the NE Halsey Street Frontage
20. Easements, subject to the terms and provisions thereof, as delineated and set forth on the recorded plat of Fairview Village Commercial Center No. 2  
For : Public storm drainage  
Affects Lots 7 and 8
21. An easement disclosed by instrument,  
Recorded : June 26, 1996  
As : 96-097360  
In favor of : Multnomah County, a political subdivision  
For : Slope, sidewalk and utility facilities  
Affects Lot 1, Fairview Village Commercial Center
22. An easement disclosed by instrument,  
Recorded : June 26, 1996  
As : 96-097362  
In favor of : Multnomah County, a political subdivision  
For : Slope, sidewalk and utility facilities  
Affects Parcel II

23. An easement disclosed by instrument,  
 Recorded : June 26, 1996  
 As : 96-097363  
 In favor of : Multnomah County, a political subdivision  
 For : Slope, sidewalk and utility facilities  
 Affects Parcel IV
24. An easement disclosed by instrument,  
 Recorded : October 11, 1996  
 As : 96-154962  
 In favor of : Portland General Electric Company  
 For : Anchors and guy wires  
 Affects Parcel IX
25. An easement disclosed by instrument,  
 Recorded : February 9, 1999  
 As : 99-027630  
 In favor of : City of Fairview  
 For : Storm sewer and appurtenances and slope  
 Affects Parcels VIII and IX
26. An easement disclosed by instrument,  
 Recorded : March 20, 2001  
 As : 2001-038509  
 In favor of : The City of Fairview, a municipal corporation  
 For : Waterline and appurtenant facilities  
 Affects Lot 6 of Parcel V
27. Personal property taxes, if any. No search has been made for personal property accounts.
28. Existing leases and tenancies, if any, and any interests that may appear upon examination of such leases.
29. A copy of the Articles of Organization and of the Operating Agreement of Donati Properties Oregon, LLC, an Oregon limited liability company, any amendments thereto, and any assignments of members' interests, should be furnished to us prior to closing. Any conveyance or encumbrance must be executed by all the members unless otherwise provided for in the Articles of Organization and/or the Operating Agreement.

### **END OF EXCEPTIONS**

#### **NOTES:**

- A. No search has been made or will be made for water, sewer, or storm drainage charges. Buyers should check with the appropriate City bureau or water/sewer district and obtain a final reading. Such charges are not adjusted in escrow.

- B. Exceptions 1 through 5 may be modified or eliminated from the policy based upon receipt and review of additional evidence of insurability, including, but not necessarily limited to, the following:
  - (i) A survey of the subject property. Should a survey not be required for loan purposes, The Company could consider other alternatives, such as an inspection or review of a site plan. Please contact your Company representative for assistance.
  - (ii) Proof that there are no parties in possession or claiming to the right to be in possession other than the vestees herein and that there are not existing leases or tenancies.
  - (iii) Satisfactory evidence or indemnity that there are no statutory liens for labor or material, including liens for contributions due to the State of Oregon for unemployment compensation and for workmen's compensation which have not gained or hereafter may gain priority over the lien of the insured mortgage, which liens do not now appear of record.

**LENDER NOTE:** Lawyers Title Insurance Corporation, a Nebraska corporation is the correct name to use if you are going to use this company as the trustee for a trust deed in this transaction.

**NOTE REGARDING ARBITRATION:** The Policy or Policies of Title insurance to be issued will contain a clause permitting arbitration of claims at the request of either the Insured or the Company. Upon request, the Company will provide a copy of this clause and the currently applicable arbitration rules. For the applicable endorsement charge, the company will delete the arbitration clause if it receives before closing a written request for the endorsement.

**NOTICE:** Recording Fees – SUBJECT TO CHANGE WITHOUT NOTICE

<u>COUNTY</u>	<u>FIRST PAGE</u>	<u>EACH ADDITIONAL PAGE</u>
Multnomah	\$21.00	\$5.00

\*\*Line of Credit Documents are considered as an extra document and will be charged as an extra page.

**NOTE: It is our policy in Oregon to identify a reduced title insurance charge on Schedule A when it appears to us that your transaction qualifies for a reduced charge. The reduction usually is computed as a percentage of the Company's basic rate. If a reduced charge appears on Schedule A, it is one of the following:**

Short Term Rate: A discount of 25% of the basic rate applies when there has been title insurance on the property within the previous three years.

Builder-Developer Rate: A discount of 35% of the basic rate may apply when a party to the transaction is a builder or developer and the property is residential.

Lender Post-Foreclosure Rate: A discount of 35% of the basic rate may apply when a seller acquires the property through foreclosure.

Contract Fulfillment Rate: A discount of up to 50% of the basic rate may apply to an owner's policy issued upon fulfillment of a previously insured land sale contract.

Leasehold to Owner's Conversion Rate: A previously insured lessee who exercises an option to purchase in the lease may obtain title insurance for the purchase with a 50% credit from the previous policy.

Post-Construction Permanent Loan Rate. A discount of up to 75% of the basic rate may apply to a loan policy for a permanent mortgage when it refinances a previously insured construction loan.

Reorganization Rate: A discount of up to 65% of the basic rate may apply for title insurance to a business entity that is affiliated with a previously insured business entity.

Corporate Employee Transfer Rate: When a corporation transfers an employee from one area to another and the employee's corporation or one rendering employee transfer services acquires the employee's property with title insurance, a discount of up to 50% applies to the resale.

Simultaneous Issue Rate: A special rate may apply when two or more policies are issued simultaneously, such as a loan policy with an owner's policy or two loan policies.

**IF YOU THINK A REDUCED RATE APPLIES TO YOUR TRANSACTION BUT IT DOES NOT APPEAR ON SCHEDULE A, PLEASE INFORM YOUR ESCROW OFFICER OR TITLE OFFICER.** You may contact your escrow officer or title officer at the phone number, email address or mailing address shown on this report.

END OF REPORT

SD/tlb